Approved For Release 2003/06/13 : CIA-RDP80R01731R000800050030-0

7 February 1951

The Honorable
The Director of the
Bureau of the Budget
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Lawton:

There are a few key positions in the Central Intelligence Agency which can be filled most effectively, indeed can only be filled effectively, by selected officers of the Armed Services. Although I have a quota of personnel from each of these Services, I am unable to obtain, for these few key positions, officers of the training and experience which I require, as this training and experience is acquired only by rather senior General or Flag Officers whose numbers on the active list are limited. The obvious solution is to employ professionally and physically qualified retired officers, but the so-called dual compensation status makes it impossible for me to obtain the services of any of those who are released for reasons other than for physical disability, and physical disability would in most cases be a disqualifying defect from the CIA point of view. Thus the Government is precluded from utilizing in a very important field the services of certain highly qualified individuals in whose training the United States has a very considerable investment and who are capable of performing highly important functions of particular concern to this Agency by reason of such training.

I know that you are well aware of this problem due to the support which the Bureau of the Budget gave to legislation in the 81st Congress which would authorize the Government to employ Retired Officers, provided that during such employment they waive either their retired pay or their government salary. Unfortunately, this legislation failed in the last session due to the lack of time for conference, although almost identical bills passed both the House and the Senate. I now understand that similar legislation has been introduced in the Senate, but I am told that it will be many months before its final passage.

DOCUMENT NO.
NO CHANGE IN CLASS.
DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE:
AUTH: HR 70-2
DATE: 27 MAR 1981 REVIEWER:
STAT

Approved For Release 2003/06/13 : CIA-RDP80R01731R000800050030-0

Official

Approved For Release 2003/06/13 : CIA-RDP80R01731R000800050030-0

I am faced with an immediate need for the services of certain peculiarly well qualified Retired Officers, as well as some who are just reaching the retirement age. Their assistance, particularly in these times, will constitute a contribution of the greatest importance to our work, not only in certain operational and technical fields, but also in estimates of foreign military potentials.

I have therefore drafted a bill which would authorize this Agency to employ not more than fifteen Retired Officers. This would serve us until such time as government-wide legislation could be enacted. It is requested that you approve our submission of this legislation to the Congress, and state that this request is in accord with the legislative program of the President.

Sincerely,

/s/ Walter Bedell Smith
Walter B. Smith
Director

Encl.

Drafted by Legislative Counsel
Retyped: O/DCI-lec
Distribution:
Orig & 4 cc--addressee
2 cc--signer
1 cc--Central Records
1 cc--Comptroller
2 cc--Legislative Counsel

Approved For Release 2003/06/13 : CIA-RDP80R01731R000800050030-0

Approved For Release 2003/06/13 : CIA-RDP80R01731R000800050030-0

AN ACT

To amend Section 6 of the Central Intelligence Agency Act of 1949.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 6 of the Central Intelligence Agency Act of 1949 (Act of June 20, 1949, ch. 227, sec. 6, 63 Stat. 211) is hereby amended by the addition of a subsection "f" as follows:

"(f)(1) Notwithstanding Section 2 of the Act of July 31, 1894, 28 Stat. 205, as amended, 5 USCA 62, or any other law prohibiting the employment of any retired commissioned or warrant officer of the Armed Services, the Agency is hereby authorized to employ and to pay the compensation of not more than fifteen retired officers or warrant officers of the Armed Services while performing service for the Agency, but while so serving such retired officer will be entitled to receive only the compensation of his position with the Agency, or his retired pay, whichever he may elect.

(2) Nothing in this Section shall limit or affect the appointment of, and payment of compensation to retired officers not presently or hereafter prohibited by law; Provided that, upon such appointment, officers retired for injuries or incapacity incurred in line of duty may, in addition to the elections set forth above, elect to receive, in addition to his retired pay, annual compensation at a rate equal to the amount by which the compensation of his position with the Agency exceeds his retired pay."

Approved For Release 2003/06/13 : CIA-RDP80R01731R000800050030-0